

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6798**

**BILL NUMBER:** SB 339

**NOTE PREPARED:** Feb 28, 2008

**BILL AMENDED:** Feb 26, 2008

**SUBJECT:** Various Motor Vehicle Matters.

**FIRST AUTHOR:** Sen. Merritt

**FIRST SPONSOR:** Rep. Austin

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill:

- (1) Repeals and relocates provisions concerning the licensing of commercial driver training schools and instructors, and transfers responsibility and funding from the Bureau of Motor Vehicles (BMV) to the Indiana Criminal Justice Institute (ICJI);
- (2) Transfers rules of the BMV concerning commercial driver training schools and instructors from the BMV to the ICJI, with certain specifications;
- (3) Removes the requirement that the daily deposit of motor vehicle excise taxes collected by the BMV be deposited in a separate account;
- (4) Authorizes the BMV to determine the registration schedule for various categories of vehicles;
- (5) Repeals outdated language concerning registration schedules for certain vehicles;
- (6) Provides that a police officer who finds or is notified of a vehicle or parts that are believed to be abandoned shall attach a notice tag stating that the vehicle or parts will be removed after 36 hours, if the vehicle is located on or within the right-of-way of an interstate highway or any highway that is designated as part of the state highway system under IC 8-23-4;
- (7) Requires a railroad company to erect and maintain a whistle post in advance of public crossings;
- (8) Provides that a person who engages in the business of selling at least 12 off-road vehicles to the general public each year for delivery in Indiana must secure a dealer's license from the Secretary of State;
- (9) Repeals language exempting a seller of off-road vehicles from the requirements of a motor vehicle dealer's license;
- (10) Provides that certain motor carrier employers may provide an advance of wages and then take certain deductions from subsequent wages under certain circumstances;
- (11) Provides that under certain circumstances, certain motor vehicles titled outside of Indiana do not need an inspection for an Indiana title to be issued; and

(12) Provides that the Special Fuel Tax exemption for certain biodiesel produced by an individual, who uses the fuel for personal noncommercial use, may not be claimed for more than 5,000 gallons of special fuel per year (current law limits the exemption using a formula based on the percentage biodiesel content of the Special Fuel).

(13) Makes conforming amendments; and

(14) Makes technical corrections.

**Effective Date:** January 1, 2008 (Retroactive); Upon passage; July 1, 2008.

**Explanation of State Expenditures:** (1&2) Transferring responsibility of the licensing of commercial driver training schools and instructors from the Bureau of Motor Vehicles (BMV) to the Indiana Criminal Justice Institute (ICJI) will mean a reduction of BMV expenditures associated with this function and a corresponding increase in expenditures for the ICJI. The fund affected for both the BMV and the ICJI is the Motor Vehicle Highway Account (MVHA). The ICJI's Office of Traffic Safety was appropriated approximately \$11.9 M from the MVHA for FY 2009.

For the period beginning January 1, 2009, and ending June 30, 2009, there is a transfer of funds to the ICJI from money appropriated to the BMV in an amount that is necessary to fund the transfer of responsibilities concerning the licensing of commercial driving training schools and instructors. The source and amount of funds transferred is to be determined jointly by the BMV and the ICJI in writing not later than December 1, 2009, subject to the approval of the State Budget Agency.

(3) Removing the requirement that the daily deposit of motor vehicle excise taxes collected by the BMV be deposited in a separate account will have no direct fiscal impact.

(6) Requiring the removal of a vehicle abandoned on or within the right-of-way of an interstate highway or a highway designated as part of the state highway system within 36 hours will require no additional expenditures for the State Police. The funds affected are the state General Fund, the Motor Vehicle Highway Account, and the Motor Carrier Regulation Fund, all of which support the operation of the State Police.

(Revised) (8 & 9) There will be additional administrative expenditures for the Secretary of State's office based on the assumption that additional dealers would now become licensed. The fund affected is the Motor Vehicle Highway Account.

(11) Not requiring an inspection for vehicles titled outside of Indiana will mean a reduction in staff time for the State Police associated with the inspection of these vehicles. The impact is indeterminable. The funds affected are the state General Fund, the Motor Vehicle Highway Account, and the Motor Carrier Regulation Fund, all of which support the State Police.

**Explanation of State Revenues:** (1&2) Transferring responsibility of the licensing of commercial driver training schools and instructors will mean a new user of the fees. The fees that are collected by the BMV currently for certifying commercial driver education schools and instructors are deposited into the MVHA and are used to offset the expenditures of the program. Under the bill, the fees will continue to be deposited into the MVHA.

The BMV collects \$100 per school, and there are 110 schools resulting in revenue of approximately \$11,000 per year. There is also a fee of \$10 per instructor per facility (instructors can be certified at more than one facility), which generates about \$5,200 per year in instructor fees. The total revenue generated amounts to

approximately \$16,200.

(4) Authorizing the BMV to determine the registration schedule for various categories of vehicles may result in a change in timing of the receipt of revenue, depending upon the schedule adopted by the BMV.

(8&9) Requiring that a person who engages in the business of selling at least 12 off-road vehicles to the general public each year for delivery in Indiana to secure a dealer's license for the sale of motor vehicles from the Secretary of State and repealing an exemption for sellers of off-road vehicles will mean additional revenue to the state of an indeterminable amount. The following table shows the various dealer licenses issued and the corresponding fee charged.

License	Fee
Manufacturers	\$35, plus \$10 for each factory branch in the state.
Distributors	\$35, plus \$30 for the first location and \$10 for each location not immediately adjacent to it.
Dealer or Auctioneer	\$30 for its first location and \$10 for each location not immediately adjacent to it.
Factory representatives, distributors' representatives, wholesaler dealers, transfer dealers and brokers	\$20; Offsite license is \$25.

Distribution of the funds is as follows:

Motor Vehicle Odometer Fund, which is then redistributed to  
the Motor Vehicle Highway Account- 40%  
Bureau of Motor Vehicles - 30%  
State Police - 20%  
Attorney General- 10%

Revenue for FY 2007 amounted to \$581,000.

(Revised) (12) Changing the Special Fuel Tax exemption for certain biodiesel producers to not more than 5,000 gallons of special fuel per year will have little impact. (Current law limits the exemption using a formula based on the biodiesel content as a percentage of the special fuel.) The state Department of Revenue reports that currently four people are taking advantage of this provision of the Special Fuel Tax law.

Background Information: The Secretary of State reports the following licenses issued from July 1, 2007, through December 31, 2007.

Number Issued	Type of License Issued
5,583	Motor Vehicle Dealer
768	Salvage
201	Watercraft
6,555	Total

Revenue for the period amounted to \$71,200.

**Explanation of Local Expenditures:** (6) Requiring the removal of a vehicle abandoned on or within the right-of-way of an interstate highway or a highway designated as part of the state highway system within 36 hours will require no additional expenditures for local law enforcement agencies.

(11) For local law enforcement agencies, there will be a reduction in staff time associated with the inspection of the vehicles titled out of state. The impact is indeterminable.

**Explanation of Local Revenues:** (11) The Indiana Sheriffs' Association reports that there may be a few sheriffs in the state who charge for the inspection, therefore resulting in the potential loss of revenue of an indeterminable amount.

**State Agencies Affected:** Bureau of Motor Vehicles; Criminal Justice Institute; State Budget Agency; State Police; State Department of Revenue.

**Local Agencies Affected:** Recipients of Motor Vehicle Highway Account distributions; local law enforcement agencies.

**Information Sources:** Sarah Meyer, BMV Legislative Liaison, 317-232-1936; Monty Combs, Deputy Commissioner and Chief Financial Officer of the BMV, 317-234-1910.

**Fiscal Analyst:** James Sperlik, 317-232-9866.